

**CITY OF BENTLEY, KANSAS**

**FINANCIAL STATEMENT  
DECEMBER 31, 2014**

*BFR*

---

**BUSBY FORD & REIMER, LLC**

---

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF BENTLEY  
TABLE OF CONTENTS  
DECEMBER 31, 2014**

	<b><u>Page Number</u></b>
Independent Auditor's Report	1 – 3
<b>Financial Statement</b>	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statement	5 – 12
<b>Regulatory Required Supplementary Information</b>	
Summary of Expenditures - Actual and Budget	13
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	14
Streets and Highway Fund	15
Schedule of Cash Receipts and Expenditures - Actual	
Capital Improvement Reserve Fund	16
Equipment Reserve Fund	17
Parks and Recreation Fund	18
Government Grant Fund	19
Memorial Fund	20
Schedule of Cash Receipts and Expenditures - Actual and Budget	
Bond and Interest Fund	21
Schedule of Cash Receipts and Expenditures - Actual	
Capital Projects Fund	22
Schedule of Cash Receipts and Expenditures - Actual and Budget	
Water Utility Fund	23
Sewer Utility Fund	24
Solid Waste Utility Fund	25



---

# BUSBY FORD & REIMER, LLC

---

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

**Mayor and City Council  
City of Bentley, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the **City of Bentley, Kansas**, as of and for the year ended **December 31, 2014** and the related notes to the financial statement.

*Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Mayor and City Council  
City of Bentley, Kansas**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in Note 1 of the financial statement, the financial statement is prepared by the **City of Bentley, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the **City of Bentley, Kansas**, as of **December 31, 2014**, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the **City of Bentley, Kansas**, as of **December 31, 2014**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of cash receipts and expenditures-capital projects (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

**Mayor and City Council  
City of Bentley, Kansas**

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2013 basic financial statement upon which we rendered an unmodified opinion dated April 7, 2014. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC

April 7, 2015

CITY OF BENTLEY  
SUMMARY OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental							
General	\$ 38,183	\$ 0	\$ 278,986	\$ 277,247	\$ 39,922	\$ 0	\$ 39,922
Special Purpose Funds							
Streets and Highway	18,272	0	19,573	18,620	19,225	0	19,225
Capital Improvement Reserve	5,727	0	1,000	0	6,727	0	6,727
Equipment Reserve	7,490	0	2,000	0	9,490	0	9,490
Parks & Recreation	1,554	0	500	0	2,054	0	2,054
Government Grant	140,905	0	7,360	17,280	130,985	0	130,985
Memorial	1,110	0	0	0	1,110	0	1,110
Bond and Interest	0	0	85,683	85,683	0	0	0
Capital Projects	71	0	0	71	0	0	0
Business							
Water Utility	158,621	0	100,361	90,418	168,564	0	168,564
Sewer Utility	47,161	0	64,747	53,481	58,427	0	58,427
Solid Waste Utility	15,712	0	39,796	37,829	17,679	0	17,679
	<u>\$ 434,806</u>	<u>\$ 0</u>	<u>\$ 600,006</u>	<u>\$ 580,629</u>	<u>\$ 454,183</u>	<u>\$ 0</u>	<u>\$ 454,183</u>
Composition of Cash:							
			Checking				\$ 453,073
			Savings				<u>1,110</u>
							<u>\$ 454,183</u>

The notes to the financial statement are an integral part of this statement.

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

The City of Bentley is a municipal corporation governed by an elected Mayor and City Council. The City's financial statement includes all funds over which the Mayor and City Council exercise financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

**Governmental Funds**

General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds-used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond & Interest Fund-used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund-used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund-funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United State of America**

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

**Budget and Tax Cycle**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended December 31, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.



**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenue are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds:

Capital Improvement Reserve Fund  
Parks & Recreation Fund  
Memorial Fund

Equipment Reserve Fund  
Government Grant Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Special Assessments**

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the City and are retired from the City's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a ten- or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

**Note 2 - Contingencies:**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

**Grant Programs**

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 3 - Deposits:**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2014.

At December 31, 2014, the City's carrying amount of deposits was \$454,183 and the bank balance was \$456,780. The bank balance is held by one bank. Of the bank balance, \$250,000 was covered by depository insurance, and the remaining \$206,780 was collateralized with securities held by the pledging financial institution's agent in the City's name.

**Note 4 - Reimbursed Expenses:**

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria:

1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

**Note 5 - Compensated Absences:**

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the City to record vacation and sick leave benefits as expenditures when paid.

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 6 - Postemployment Benefits:**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The City did not provide any significant postemployment benefits for former employees at December 31, 2014.

**Note 7 - Defined Benefit Pension Plan:**

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

**Note 8 - Subsequent Events:**

The City has evaluated subsequent events through April 7, 2015, the date which the financial statement was available to be issued.

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 9 - Statutory Violations:**

The following funds had expenditures in excess of budgeted amounts, which is a violation of K.S.A. 79-2935

Fund	Amount in Excess of Budget
General Fund	\$ 25,747
Streets and Highway	\$ 120
Bond and Interest	\$ 11,633

**Note 10 - Interfund Transactions:**

Operating transfers were as follows:

	Statutory Authority	Capital Improvement Reserve	Equipment Reserve	Debt Service	Total
Transfer from:					
General Fund	K.S.A. 12-1118	\$ 1,000	\$ 0	\$ 0	\$ 1,000
General Fund	K.S.A. 12-1117	0	2,000	0	2,000
Water Utility	K.S.A. 12-825d	0	0	10,353	10,353
Sewer Utility	K.S.A. 12-825d	0	0	10,353	10,353
		<u>\$ 1,000</u>	<u>\$ 2,000</u>	<u>\$ 20,706</u>	<u>\$ 23,706</u>

**Note 11 - Capital Projects:**

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Water Project	<u>\$370,333</u>	<u>\$367,398</u>

**Note 12 - Advance Refunding of Bond Obligation:**

On December 27, 2012, the City issued \$1,705,000 in General Obligation Bonds with interest rates ranging from 0.6% to 3.4%. Of the issue, \$1,040,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on the 2000, 2004, and 2007 bonds. As a result, this portion of these bonds are considered defeased and not included in long-term debt below.

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 13 - Long-term Debt:**

Principal payments are due annually and interest payments are due semi-annually on general obligation bonds. Principal and interest payments on notes and lease purchase agreements are due annually.

Terms for long-term liabilities for the City for the year ended December 31, 2014 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
<b>General Obligation Bonds</b>				
2007 Series	3.70 - 4.625	5/1/07	\$ 976,000	9/1/27
2012 Series	0.6 - 3.4	12/27/12	\$ 1,705,000	9/1/32
<b>Lease Purchase Agreements</b>				
Scout Packs	3.99	9/19/13	\$ 42,827	3/1/18
Police Vehicle	3.00	11/27/13	\$ 8,925	6/1/18

Changes in long-term liabilities for the City for the year ended December 31, 2014 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>					
2007 Series	\$ 85,000	\$ 0	\$ 40,000	\$ 45,000	\$ 3,465
2012 Series	1,690,000	0	30,000	1,660,000	43,950
	<u>1,775,000</u>	<u>0</u>	<u>70,000</u>	<u>1,705,000</u>	<u>47,415</u>
<b>Lease Purchase Agreements</b>					
Scout Packs	42,827	0	8,515	34,312	508
Police Vehicle	8,925	0	8,925	0	177
	<u>51,752</u>	<u>0</u>	<u>17,440</u>	<u>34,312</u>	<u>685</u>
	<u>\$ 1,826,752</u>	<u>\$ 0</u>	<u>\$ 87,440</u>	<u>\$ 1,739,312</u>	<u>\$ 48,100</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	General Obligation Bonds			Lease Purchases			Totals		
	Principal	Interest	Total Principal and Interest	Principal	Interest	Total Principal and Interest	Principal	Interest	Total Principal and Interest
2015	\$ 80,000	\$ 45,540	\$ 125,540	\$ 8,081	\$ 1,369	\$ 9,450	\$ 88,081	\$ 46,909	\$ 134,990
2016	65,000	43,270	108,270	8,404	1,047	9,451	73,404	44,317	117,721
2017	85,000	42,360	127,360	8,739	711	9,450	93,739	43,071	136,810
2018	90,000	41,090	131,090	9,088	363	9,451	99,088	41,453	140,541
2019	90,000	39,605	129,605	0	0	0	90,000	39,605	129,605
2020 - 2024	460,000	169,855	629,855	0	0	0	460,000	169,855	629,855
2025 - 2029	480,000	107,480	587,480	0	0	0	480,000	107,480	587,480
2030 - 2032	355,000	24,650	379,650	0	0	0	355,000	24,650	379,650
	<u>\$ 1,705,000</u>	<u>\$ 513,850</u>	<u>\$ 2,218,850</u>	<u>\$ 34,312</u>	<u>\$ 3,490</u>	<u>\$ 37,802</u>	<u>\$ 1,739,312</u>	<u>\$ 517,340</u>	<u>\$ 2,256,652</u>

**CITY OF BENTLEY  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014**

**Note 14 - Government Grant Fund:**

The City maintains the Government Grant Fund for the purpose of making loans to local business as a way to enhance economic developments. In addition the City uses the Fund to finance certain capital improvements within the City.

Outstanding loan balances as of December 31, 2014, consist of the following:

On January 9, 2014, the City approved a \$17,280 advance to the General Fund for the purpose of purchasing certain platted property within the City. Terms of the agreement provide repayment of the advance at \$314.35 per month including interest at 3.5% with final maturity on January 1, 2019.

On March 6, 2009, the City provided a \$40,000 mortgage loan for the purpose of providing financing for a local business. Terms of the loan provide payments of \$320.32 per month including interest at 5.0% with final maturity in November 2024.

Repayments received for the year ended December 31, 2014, were:

Interfund Repayment	\$	3,458
Mortgage Loan		<u>3,844</u>
	\$	<u>7,302</u>

Outstanding balances and maturities on the Government Grant loans as of December 31, 2014, were:

2015	\$	2,398	\$	3,324	\$	5,722
2016		2,520		3,442		5,962
2017		2,649		3,564		6,213
2018		2,785		3,691		6,476
2019		2,927		313		3,240
2020-2024		<u>16,733</u>		<u>0</u>		<u>16,733</u>
	\$	<u>30,012</u>	\$	<u>14,334</u>	\$	<u>44,346</u>

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF BENTLEY**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund	Adjustment for		Expenditures		Variance - Over (Under)
	Certified Budget	Qualifying Budget Credits	Total Budget for Comparison	Chargeable to Current Year	
Governmental					
General	\$ 251,500	\$ 0	\$ 251,500	\$ 277,247	\$ 25,747
Special Purpose Funds					
Streets and Highway	18,500	0	18,500	18,620	120
Capital Improvement Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Equipment Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Parks & Recreation	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Government Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	17,280	XXXXXXXXXX
Memorial	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Bond and Interest	74,050	0	74,050	85,683	11,633
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	71	XXXXXXXXXX
Business					
Water Utility	117,053	0	117,053	90,418	(26,635)
Sewer Utility	59,903	0	59,903	53,481	(6,422)
Solid Waste Utility	44,000	0	44,000	37,829	(6,171)
	<u>\$ 565,006</u>	<u>\$ 0</u>	<u>\$ 565,006</u>	<u>\$ 580,629</u>	<u>\$ (1,728)</u>



**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
<b>Cash Receipts</b>				
Ad valorem tax	\$ 110,521	\$ 111,293	\$ 113,996	\$ (2,703)
Delinquent tax	8,701	7,340	0	7,340
Motor vehicle tax	22,646	19,892	21,127	(1,235)
Recreational vehicle tax	385	349	299	50
State assessed tax	6,268	6,077	0	6,077
Sales tax	73,016	74,774	75,000	(226)
Permits and fees	1,030	1,082	2,000	(918)
Franchise fees	16,609	18,434	18,000	434
Municipal court	5,775	8,111	20,000	(11,889)
Local alcoholic liquor tax	1,784	1,940	1,078	862
Government grant loan advance	0	17,280	0	17,280
Interest	215	102	0	102
Miscellaneous	23,961	12,312	0	12,312
	<u>270,911</u>	<u>278,986</u>	<u>\$ 251,500</u>	<u>\$ 27,486</u>
<b>Expenditures</b>				
Salaries and wages	57,022	54,994	\$ 50,000	\$ 4,994
Law enforcement	39,890	42,829	32,000	10,829
Municipal court	2,002	156	5,000	(4,844)
Office supplies and expenses	8,594	10,921	10,000	921
Insurance and employee bonds	19,747	18,000	18,000	0
General maintenance	2,703	2,779	1,500	1,279
Utilities	10,546	11,419	12,500	(1,081)
Professional Fees	33,425	29,856	28,000	1,856
Memberships and subscriptions	2,318	1,699	1,000	699
Materials and supplies	1,897	5,458	2,000	3,458
Volunteer Fire Department	24,370	20,734	22,000	(1,266)
Employee benefits	15,550	10,792	6,000	4,792
Personnel training	2,810	1,523	2,500	(977)
County code remittance	1,588	576	1,000	(424)
Bond and interest payments	46,805	35,190	42,000	(6,810)
Miscellaneous	29,358	27,321	10,000	17,321
Distressed Properties	0	0	5,000	(5,000)
Transfers	0	3,000	3,000	0
	<u>298,625</u>	<u>277,247</u>	<u>\$ 251,500</u>	<u>\$ 25,747</u>
Receipts Over (Under) Expenditures	(27,714)	1,739		
Unencumbered Cash, Beginning	65,897	38,183		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 38,183</u>	<u>\$ 39,922</u>		

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Streets and Highway Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
County gas tax	\$ 5,879	\$ 5,933	\$ 6,290	\$ (357)
State gas tax	13,377	13,640	13,910	(270)
	<u>19,256</u>	<u>19,573</u>	<u>\$ 20,200</u>	<u>\$ (627)</u>
<b>Expenditures</b>				
Salaries and wages	9,862	6,509	\$ 6,000	\$ 509
Employee benefits	1,968	1,079	2,000	(921)
Materials and supplies	1,041	3,263	5,000	(1,737)
Maintenance and repairs	2,740	2,600	5,000	(2,400)
Street lighting	4,488	5,169	0	5,169
Miscellaneous	1,039	0	500	(500)
	<u>21,138</u>	<u>18,620</u>	<u>\$ 18,500</u>	<u>\$ 120</u>
Receipts Over (Under) Expenditures	(1,882)	953		
Unencumbered Cash, Beginning	20,154	18,272		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 18,272</u>	<u>\$ 19,225</u>		

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Capital Improvement Reserve Fund</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 1,000
	<u>0</u>	<u>1,000</u>
Expenditures		
Capital improvements	0	0
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	1,000
Unencumbered Cash, Beginning	5,727	5,727
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 5,727</u>	<u>\$ 6,727</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

Equipment Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 2,000
	<u>0</u>	<u>2,000</u>
Expenditures		
Capital improvements	0	0
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	2,000
Unencumbered Cash, Beginning	7,490	7,490
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 7,490</u>	<u>\$ 9,490</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

Parks and Recreation

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ 0	\$ 500
	<u>0</u>	<u>500</u>
Expenditures		
Capital improvements	4,632	0
	<u>4,632</u>	<u>0</u>
Receipts Over (Under) Expenditures	(4,632)	500
Unencumbered Cash, Beginning	6,186	1,554
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,554</u>	<u>\$ 2,054</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

Government Grant Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Repayments from other funds	\$ 3,203	\$ 7,302
Interest	72	58
	<u>3,275</u>	<u>7,360</u>
Expenditures		
Loan advances	0	17,280
	<u>0</u>	<u>17,280</u>
Receipts Over (Under) Expenditures	3,275	(9,920)
Unencumbered Cash, Beginning	137,630	140,905
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 140,905</u>	<u>\$ 130,985</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

Memorial Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 1	\$ 0
	<u>1</u>	<u>0</u>
Expenditures		
Miscellaneous	0	0
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	1	0
Unencumbered Cash, Beginning	1,109	1,110
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,110</u>	<u>\$ 1,110</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Bond and Interest Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Delinquent tax	\$ 9,002	\$ 802	\$ 0	\$ 802
Special assessments	54,909	64,175	54,954	9,221
Transfers	0	20,706	20,706	0
	<u>63,911</u>	<u>85,683</u>	<u>\$ 75,660</u>	<u>\$ 10,023</u>
<b>Expenditures</b>				
Principal	60,000	38,268	\$ 30,000	\$ 8,268
Interest	3,880	47,415	43,950	3,465
Commission	302	0	100	(100)
	<u>64,182</u>	<u>85,683</u>	<u>\$ 74,050</u>	<u>\$ 11,633</u>
Receipts Over (Under) Expenditures	(271)	0		
Unencumbered Cash, Beginning	271	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		



**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**CAPITAL PROJECTS FUND**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Capital Projects</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Loan proceeds	\$       0	\$       0
	<u>          0</u>	<u>          0</u>
Expenditures		
Transfers	<u>          0</u>	<u>         71</u>
	<u>          0</u>	<u>         71</u>
Receipts Over (Under) Expenditures	0	(71)
Unencumbered Cash, Beginning	71	71
Prior Year Canceled Encumbrances	<u>          0</u>	<u>          0</u>
Unencumbered Cash, Ending	<u>\$       71</u>	<u>\$        0</u>

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Water Utility Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
<b>Cash Receipts</b>				
User fees	\$ 100,048	\$ 99,558	\$ 117,000	\$ (17,442)
Water taps	800	803	0	803
	<u>100,848</u>	<u>100,361</u>	<u>\$ 117,000</u>	<u>\$ (16,639)</u>
<b>Expenditures</b>				
Salaries and wages	36,118	41,443	\$ 45,000	\$ (3,557)
Employee benefits	5,037	5,437	10,000	(4,563)
Utilities	5,196	4,080	6,000	(1,920)
Repairs	708	60	7,500	(7,440)
Office Expense	712	1,471	1,000	471
Water purchase	9,938	10,851	20,000	(9,149)
Memberships and subscriptions	194	194	200	(6)
Materials and supplies	1,298	1,327	7,500	(6,173)
Personnel training	735	511	1,000	(489)
Insurance	0	3,374	1,000	2,374
Sales tax	5,609	5,184	4,000	1,184
Miscellaneous	1,092	673	1,500	(827)
Annual audit	450	5,460	2,000	3,460
Transfers	0	10,353	10,353	0
	<u>67,087</u>	<u>90,418</u>	<u>\$ 117,053</u>	<u>\$ (26,635)</u>
<b>Receipts Over (Under) Expenditures</b>	33,761	9,943		
<b>Unencumbered Cash, Beginning</b>	124,860	158,621		
<b>Prior Year Canceled Encumbrances</b>	<u>0</u>	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 158,621</u>	<u>\$ 168,564</u>		

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Sewer Utility Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
User fees	\$ 51,150	\$ 64,747	\$ 65,000	\$ (253)
	<u>51,150</u>	<u>64,747</u>	<u>\$ 65,000</u>	<u>\$ (253)</u>
<b>Expenditures</b>				
Salaries and wages	20,679	19,527	\$ 22,000	\$ (2,473)
Employee benefits	3,540	3,236	4,000	(764)
Materials and supplies	3,098	5,180	4,000	1,180
Repairs	1,161	8,292	15,000	(6,708)
Utilities	2,202	3,693	2,000	1,693
Miscellaneous	905	0	500	(500)
Personnel training	920	205	750	(545)
Annual audit	450	2,790	1,000	1,790
Office Expense	0	205	100	105
Membership & Subscriptions	0	0	200	(200)
Transfers	0	10,353	10,353	0
	<u>32,955</u>	<u>53,481</u>	<u>\$ 59,903</u>	<u>\$ (6,422)</u>
Receipts Over (Under) Expenditures	18,195	11,266		
Unencumbered Cash, Beginning	28,966	47,161		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 47,161</u>	<u>\$ 58,427</u>		

**CITY OF BENTLEY**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

<u>Solid Waste Utility Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
User fees	\$ 35,249	\$ 39,796	\$ 44,000	\$ (4,204)
	<u>35,249</u>	<u>39,796</u>	<u>\$ 44,000</u>	<u>\$ (4,204)</u>
Expenditures				
Contractual services	38,376	37,829	\$ 44,000	\$ (6,171)
Annual Audit	450	0	0	0
Miscellaneous	<u>185</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>39,011</u>	<u>37,829</u>	<u>\$ 44,000</u>	<u>\$ (6,171)</u>
Receipts Over (Under) Expenditures	(3,762)	1,967		
Unencumbered Cash, Beginning	19,474	15,712		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 15,712</u>	<u>\$ 17,679</u>		